SUPREME COURT, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1961.

No. 316

ALUMINUM COMPANY OF AMERICA, ELECTRO-CIRCUITS, INC., AND CURTISS-WRIGHT CORPORATION,

Petitioners,

vs.

SPERRY PRODUCTS, INC., FLOYD A. FIRESTONE AND UNITED AIRCRAFT CORPORATION,

Respondents.

PETITIONERS' BRIEF IN REPLY TO OPPOSITION BRIEFS OF RESPONDENTS SPERRY PRODUCTS, INC., AND FLOYD A. FIRESTONE.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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The opposition briefs of respondents Floyd A. Firestone and Sperry Products, Inc., demonstrate the correctness of our petition, by evading each of the crucial issues raised therein.

PUBLIC SAFETY ISSUE.

With respect to the effect of this case on public safety, the opposition briefs are very evasive as to Patent No. 3, which will not expire until April 12, 1966, and which is involved in *both* questions. Its enforceability is involved in the first question. Its validity, and the alleged infringe-

ment thereof by the Immerscope, are involved in the second. The questions are clearly not "stale" nor "moot" as alleged by Sperry.

The briefs are also very evasive as to the unique suitability of the Immerscope for *production line testing* of aircraft parts to detect defects therein. Respondents are only able to repeat what we conceded in our petition, that the Sperry UW Reflectoscope, belatedly introduced in 1955, is an immersion instrument useful in many applications and particularly as a laboratory instrument. Respondents cite no evidence to rebut the testimony of Gauthier (499a-500a) and Prosek (513a) that the UW Reflectoscope is not suitable for production line use. Indeed, the brief of respondent Sperry artfully avoids any reference to production line testing.

Respondent Sperry apologetically goes outside the record in stating that licenses are available to petitioners. We are advised that a license has been refused pending disposal of this litigation. As yet, there is little assurance that Sperry's attitude has changed from that expressed by Sperry's former president, Farwell, that "they were not interested in considering a license because the field was not large enough for two companies" (Richards, 660a; Fink, 606a). We submit that the outcome of this case directly affects public safety.

FIRST QUESTION.

Respondent Firestone's entire argument is based upon the completely false premise that we have alleged a tie-in of an unpatented product.

Both Respondents quote the decisions below to infer that they conflict with our assertions. That is not true. The Courts below made factual findings which support and do not conflict in any way with our position. But the

Courts below made no reference to and apparently did not consider certain surrounding circumstances which are very important and are clearly established in the record, as pointed out in our petition at pages 15-18. Respondent Sperry completely avoids discussion of those circumstances. Respondent Firestone purports to discuss them, but in a very evasive manner. In doing so, both virtually concede the correctness of our position.

Specifically, Respondents do not deny and tacitly admit that immersion equipment was in demand by aircraft companies as early as 1951; that Sperry had a 100% monopoly in the field of pulse-echo inspection; that Sperry was unable to or unwilling to make immersion equipment suitable for production testing of aircraft parts; that ElectroCircuits being ready and able to market immersion equipment assumed without investigation that Sperry's charges were justified and went to Sperry to request a license; and that Sperry refused to license on a royalty basis and used the agreement to hold ElectroCircuits in a subservient position to forestall challenge of its patents and its monopoly.

Respondents seek to minimize the importance of the issue, by referring to the fact that only a few instruments were sold while the restrictive agreement was in effect. Respondents do not deny that the reason only a few instruments were sold was that the price of complete immersion equipment under the tying agreement imposed was almost doubled. Nor do Respondents deny that ElectroCircuits could have made more sales and/or greater profits per sale with a license on a royalty basis, if at all reasonable. Respondents practically admit that the restrictive agreement constituted an unreasonable restraint of trade and that it damaged ElectroCircuits.

SECOND QUESTION.

As to Patent No. 1, respondents tacitly admit that the asserted claims distinguish from the prior art only in a statement of purpose or result in the introductory clause thereof. They ignore the challenge of the last paragraph of page 24 of our petition, and again make no attempt to point out any novel structure recited in the claims. They do not deny that the only structure which might possibly be considered novel is the "effective contact" of claim 4, a feature not used in the Immerscope.

Similarly, as to Patent No. 3, respondents do not deny that the Court of Appeals held the patent valid on the basis of alleged results set forth in an application for reconsideration filed in the Patent Office, which did not consider our prior art, and on the basis of an "interposed member" in contact with the part and crystal. They do not deny that the Court of Appeals held the patent infringed without considering the prior art and without considering that the Immerscope does not use such an interposed member, but follows the prior art.

Under these facts, it is clear that the decision of the Court of Appeals is in direct conflict with the rules of law discussed on pages 19 to 23 of our petition, established by decisions of this Court and others, and not changed by 35 U. S. C. Sec. 112.

Although they will not directly admit it, both respondents show in their argument that the effect of the decision of the Court of Appeals would be to broaden the monopoly obtainable with "means" type claims. The Sperry brief appears to argue at the top of page 6 that

the 1952 Act changes substantive law, and then at the middle of page 6 appears to agree with our position that Section 112 does not broaden the obtainable monopoly. Then, however, at the bottom of page 6, Sperry appears to argue that claims are necessarily valid if they meet the formal requirements of the third paragraph of Section 112, completely ignoring the question of whether they are valid if they distinguish from the prior art solely in terms of function or result. The Firestone brief appears to argue at the bottom of page 13 that "means" claims are necessarily valid if supported in the specification and not anticipated, without regard to the question of whether they distinguish from the prior art only in terms of function or result.

Both briefs evade the question as to the effect of Section 112 and the effect of the decision of the Court of Appeals on the rule that a claim to a function or a desired result is invalid, established in the decisions of this Court cited at page 19 of our petition. Both briefs evade the question as to the effect of the portion of Section 112 retained from previous statutes, as to "particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

An analysis of respondents' briefs thus shows clear support of our position that the outcome of this case directly affects public safety, that the decision of the Court of Appeals is in conflict with previous decisions of this Court, and that the effect of the decision would be to greatly enlarge the scope of monopoly which might be obtained and extended through patents by defining the invention solely

in terms of the *result* sought and by completely emasculating the requirement of Section 112 as to "particularly pointing out and distinctly claiming" the invention sought to be protected.

Respectfully submitted,

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